

SLOW WEEK IN CAPITOL

This has been a very slow week in the Capitol. First, because Monday was a legislative holiday, making it a short week. And second because a goodly portion of the Legislature wasn't around.

Specifically, the 48 Democratic members of the Assembly held a retreat in Oakland on Wednesday and Thursday, in part to resolve differences between liberal and moderate members as to how to proceed in the face of Governor Davis's pledge to veto their proposal to boost car tax fees.

The dispute also inspired rumors of an immediate challenge to Assembly Speaker [Herb Wesson](#), though other caucus members were quoted as dismissing the rumors as "ludicrous." Wesson is termed out at the end of 2004 and, if the trend of recent years continued, his successor would be selected early next year. According to news reports, both Assembly Members [Jenny Oropeza](#) and [Dario Frommer](#) have approached colleagues seeking support for their candidacy for the post.

The two-day retreat also had the effect of reducing the number of bills introduced during the week, since only Senate bills were put across the desk on the days the Assembly was not in session. By close of business Thursday, fewer than 600 bills had been introduced, 359 in the Assembly and 230 in the Senate.

Expect several dozen Assembly bills to be introduced today. And, since next Monday (February 17) is also a legislative holiday, expect several hundred bills to be introduced each day from Tuesday until the Friday, February 21, bill introduction deadline.

BUDGET DEFICIT IMPACTS MANY THINGS!

- **New and higher taxes?** Many elected state officials and Democratic lawmakers are promoting new and/or higher taxes that they say are necessary for the state to continue to provide vital services. The Sacramento Bee reported today that State Treasurer Phil Angelides "advocates raising taxes on wealthy individuals, corporations and alcohol drinkers. He would add \$2.5 billion a year in new taxes on top of Davis' proposed \$8 billion

tax-increase package, which Republicans already have said they oppose."

Senators [Debra Bowen](#) (D-Marina del Rey) and [Dede Alpert](#) (D-Coronado) have introduced a legislative package ([SB 157](#) and [SB 103](#)) that would permit the state to tax the sale of merchandise through the Internet. The Los Angeles Times (2/12/03) reported that a University of Tennessee study found that California "could have added an estimated \$1.75 billion to its coffers in 2001 if it had been able to collect on online sales." The study also said that the state led the nation in Internet sales tax losses, followed by Texas and New York.

And finally, to add some humor to the grim budget news, in today's Contra Costa Times the following headline is found: "Lawmakers consider diaper tax; parents say it stinks."

- **Wasteful spending.** For many months various elected officials and several major newspapers have been talking about the state spending beyond its means; questionable spending on pork barrel projects or programs that are rarely, if ever, audited; and tax loopholes. Now there are reports that state employees (many of whom could be laid off, or face salary reductions) are sending e-mails to reporters with examples of wasteful spending in their departments. According to Dan Walters of the Sacramento Bee, the e-mails tell "about big consulting contracts handed out to political insiders, about political appointees remodeling or refurbishing their offices, and about other foolish acts." Walters is quick to point out that neither Democrats or Republicans have a monopoly on fiscal foolishness.
- **Upset with the leadership.** This week there have been stories pertaining to recalling Governor Davis and possibly replacing Assembly Speaker [Herb Wesson](#) (D - Los Angeles). Much of this "replacement" news centers around the budget deficit and how to have a balanced budget; what, if any, new taxes or tax increases should be implemented; and what state funded programs are reduced and by how much